the life span of Americans both present other sets of challenges for the long-term solvency of Social Security.

The Social Security Trust Fund is currently solvent and is projected to remain solvent well into the next century. But the long-term changes in the workforce will place a major strain on its ability to pay full benefits for the baby boomers' retirement. Social Security will be able to pay all promised benefits including cost-of-living adjustments until the year 2032. After 2032, the trust fund will still be able to pay 75% of promised benefits. Thus if no adjustments are made between now and then, the trust fund will experience a shortfall, but will not be exhausted. Our current economic prosperity, and projected budget surpluses, though, offer a great opportunity to act now to avert the depletion of the trust fund.

REFORM PROPOSALS

The reform debate is focusing on three broad approaches to shore up Social Security.

Incremental reform: The first approach is to make modest adjustments to the existing program by reducing benefits and altering the taxation of benefits. For example, the working period over which a retiree's benefits are computed could be increased from 35 to 38 years. By taking into account the additional three years, a worker's earlier, and usually lower-paying, employment years would figure into her wage history, thereby lowering the level of benefits. Another proposal on the benefits side calls for adjusting the consumer price index so that it more accurately reflects the rate of inflation. On the tax side, the income threshold for taxation of Social Security benefits could be raised. Currently, only beneficiaries with incomes above certain annual thresholds, $32,000 for married couples and $25,000 for single people, owe taxes on their benefits.

Means-testing: A second basic approach to reform entails means-testing Social Security. This approach would involve reducing payments to beneficiaries who earn more than a specified income threshold. Advocates of means-testing argue that Social Security was designed to protect the elderly from financial adversity in old age, and that benefits could be reduced for those who are better off and have less of a need for benefits. Critics respond that means-testing might transform the public's perception of the program from one that benefits everyone to one that serves only low-income beneficiaries. This opens up the possibility of undermining the broad political base of support for the program.

Privatization: A third approach is to privatize the Social Security system. The main proposal would establish a system of Individual Retirement Accounts. These accounts would allow workers to invest their savings directly into higher yielding assets than government securities. Most proposals which include some type of private account would maintain a minimum level of benefits, lower than today's benefit level, while allowing an additional amount to be invested in the stock market. Both components would continue to be financed by payroll taxes. One major advantage of privatization would come from the potential higher returns that beneficiaries could obtain from the stock market. A down turn on the market, on the other hand, presents significant risks for any privatization plans.

CONCLUSION

Social Security has been a very successful program. The program provides nearly universal coverage of American workers and their dependents, as well as helping a significant number of the disabled and children. The program is progressive in offering larger benefits relative to lifetime earnings for lower earners than for higher earnings. It is an efficient program and is an important means to eliminating poverty. The program, however, clearly requires reform so that we can provide benefits to future generations of retirees. The challenge will be to enact reforms which build on the successes of the program, enjoy broad public support, and put the program on firm financial footing for generations to come.

J.J. "JAKE" PICKLE FEDERAL BUILDING

SPEECH OF

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1998

Mr. SMITH of Texas. Mr. Speaker, I strongly support H.R. 3223, a bill designating the J.J. "Jake" Pickle Federal Building in Austin, Texas.

Though Jake has been out of office for 5 years, his former constituents and fellow Texans still call on him and respect him because they all know what everyone knows about Jake—he really cares.

Throughout his 30 years in Washington he never forgot who sent him or why he was there—to make the lives of his constituents and all Americans better.

Of course no building named after Jake would be complete without the words "Howdy, Howdy, Howdy" inscribed over the entryway! Surely he is the quintessential Texan.

All of us—Republicans and Democrats—continue to admire and appreciate Jake Pickle.

THANK YOU TO THE CREW OF "JOHN C. STENNIS"

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1998

Mr. GILMAN. Mr. Speaker, today the men and women of the U.S. Armed Forces stand guard in defense of our vital interests in the Persian Gulf. These dedicated men and women stand ready to respond to the latest crisis in the Middle East with the most advanced and capable weapons systems available. A few months ago as the United States prepared to strike Iraq, the news media flooded the airwaves with stories about our military personnel in the Gulf. After the crisis, the media left but thousands of our soldiers, sailors and airmen remained—on guard and at their posts.

One of the most difficult assignments in the Gulf is service at sea aboard the many naval vessels that ensure the U.S. retains a unilateral ability to defend our interests in a crisis. Much of the work is long, tedious and boring but let us make no mistake about it—the fate of the world's economy and our national security depend on these men and women in uniform.

I want to take this moment to thank the men and women of our armed services who are currently serving in the Gulf for their dedication to duty and their commitment to their country. I also want to send a specific thank you to the crew of the U.S.S. *JOHN C. STENNIS* (CVN 74) who form the backbone of our commitment to Gulf security. Under the able leadership of the Battlegroup Commander, RADM Ralph Suggs, the ship's Commanding Officer, Captain Douglas Roulstone, and the Executive Officer, CDR Wade Tallman, our newest aircraft carrier and pride of the fleet is the reason why Saddam Hussein and the Iraqi leadership are kept at bay. These Navy leaders took a brand new ship and crew and welded them into a team that is now a cornerstone in our nation's security.

A member of my staff recently served with this crew as they prepared for the Gulf. He reminded me that long after CNN and the other networks left the Gulf, our people in the nation's sea service remained on duty in the Gulf. While I cannot read the names of the whole crew, I wanted to send a special thank you from the Congress to the ship's intelligence staff who are the eyes and ears of the Battlegroup, watching any threat which may intend harm for America and her allies. In specific, I want to thank the following sailors for their service.

CDR Paula L. Moore, LCDR William P. Hamblet, LCDR Cecil R. Johnson, LT Claudio C. Biltoc, LT Wayne S. Grazio, LT Constance M. Greene, LT Amy L. Halin, LT Michael C. McMahon, LT Michael S. Prather, LTJG Jason S. Alznauer, LTJG Kwame O. Cooke, LTJG Joe A. Earnst, LTJG Ben H. Eu, LTJG Neil A. Harmon, LTJG Kevin J. McHale, LTJG Alexander W. Miller, LTJG Eric C. Mostoller, LTJG Kevin E. Nelson, LTJG John M. Schmidt, ENS Curtis D. Dewitt, ENS Joseph M. Spahn, CWO2 Robert G. Stephens, ISCS(SW) Mary B. Buzuma, CTIC Andrea C. Elwyn, CTRC(SW/AW) Leroy Dowdy, ISC Nancy A. Heaney, PHC(AW) Troy D. Summers, CTO1 William L. Beitz, IS1 Janice E. Bevel, CTR1 Theresa L. Covert, CTR1 Charlene Duplanter, PH1 Lewis E. Everett, CTA1 Jennifer L. Fojtik, IS1 Matthew E. Hatcher, CTM1(SW) Susan C. Kehner, IS1(AW) Kevin E. King, CTT1 John E. Schappert, CTT1 Marx A. Warren, CTR1(SW/AW) Kevin R. Webb, PH1(AW) James M. Williams, CTR2 Francis E. Algers, IS2 Zachary C. Alyea, PH2 Clinton C. Beaird, IS2 Brandon G. Brooks, DM2 Chad A. Dulac, IS2 Sean M. Fitzgerald, PH2(AW) Brain D. Forsmo, CTR2 Sarah A. Fuselier, IS2 Brent L. George, IS2 Richard M. Gierbolini, IS2 Christopher S. Holloman, CTR2 Kevin J. Hubbard, PH2 Leah J. Kanak, CTI2(NAC) Paula C. Keefe, IS2 Angel Morales, IS2 Matthew W. Nace, CTI2(NAC) Eric S. Newton, CTO2 Milton T. Pritchett, IS2 Richard J. Quinn, IS2 Lee E. Redenbo, CTR2 Michael A. Santichi, IS2 Bryan S. Stanley, IS2 Mark A. Szypula, PH2(AW) Jadye A. Theobald, CTI2 Sarah A. Vogel, PH3(SW) Robert M. Baker, IS3 Gere L. Beason, IS3 Michael J. Barrenchea, PH3 Richard J. Brunson, CTO3 Michael H. Buxton, PH3 Jomo K. Coffea, IS3 Terry D. Cooper, IS3 Trinity A. Durrell, CTR3 Angel Garay-Guzman, CTR3 George W. Hall, PH3 Sandra Harrison, CTO3 Yacha C. Hodge, IS3 Mark T. Kenny, CTT3 David E. Kozacek, PH3 Michael L. Larson, PH3(SW) Stephen E. Massone, CTI3 Dennis M. Paquet, IS3 Christopher P. Petrofski, IS3 Christopher D. Ross, IS3 John C. Shirah, CTT3 Gus Smalls, PH3 Alicia C. Thompson, CTM3 Jonathan R. Thompson, PH3 Kevin R. Tidwell, CTR3 Malina N. Townsend, IS3 William T. Tyre, CTR3 Thomas J.